

## CONSUMER RELATIONSHIP MANAGEMENT AND MARKETING PERFORMANCE OF HOSPITALITY FIRMS IN YANEGOA, BAYELSA STATE

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### ABSTRACT

This study investigated the relationship between consumer relationship management and marketing performance of firms in the context of the hospitality industry in Yanegoa, Bayelsa State. The study adopted a quantitative research methodology. The explanatory research design adopted cross sectional survey to study all the variables under investigation. The population of the study was the ten companies operating in the hospitality industry in Yanegoa, Bayelsa State. This population was fully studied as census study. The primary source of data utilised a structured five point likert type scale questionnaire which was administered to hotel managers and the generated data were analyzed using descriptive and inferential statistics with the aid of the statistical package for social sciences (SPSS) version 25.0. The findings of the study is that consumer relationship management and its dimensions, communication and trust positively and significantly correlate with marketing performance of hospitality firms in Yanegoa, Bayelsa State. The study concluded that, consumer relationship management significantly improves marketing performance in a context specific of hospitality industry in Yanegoa, Bayelsa State. We therefore recommended that, the companies operating in the hospitality industry in Yanegoa Bayelsa State should make strategic investment on consumer relationship management with focus on communication and trust building in the industry. This will lead to consumer satisfaction, retention and improve overall marketing performance of the hospitality industry in Yanegoa, Bayelsa State.

**Keywords:** communication, consumer relationship management, and marketing performance, and trust building

### INTRODUCTION

The hospitality sector is one of the services sub-sector of the services industry existing in the Yanegoa metropolis in Bayelsa State. This industry is highly competitive and this competition is largely driven by the consumer switching behaviours in the industry from one hotel service provider to another. These switching attitudes and behaviours of the consumers are caused by the services offerings differentials and relative consumer services and relationship management by players in the industry (Lemon et al 2002). Thus, these scenarios have negatively affected the performance of most of the players as they are struggling to make successful bottom-line results yet in a market that is dynamic and cut-throat in competition. The marketing performance of most of the players in the hotel industry is affected by the unguided movement of consumers from one hotel to another. Performance indicators for players such as market share, sales, profit growth etc are negatively affected by the switching behaviours of consumers in the Yanegoa hospitality market (Lovell & Wirtz, 2004). Hence, players are all scrambling to improve their marketing performances.

Marketing performance is the success or failure an organization incurs in a trading period usually one year. However, this performance can be evaluated monthly, quarterly, half yearly and yearly. The performance of the marketing can be measured by known financial and non-financial measures such as market share, sales growth, profit growth, market capitalization, return on investment (ROI), return on equity (ROE), price earnings ratio (P/E ratio) etc. Others are consumer satisfaction employee retention, productivity, shareholders value maximization, number of branches, number of subsidiaries etc (Ikechukwu, Igwe & Akekue, 2012; Kotler & Keller, 2012; Kotler & Armstrong, 2008; Nwokah & Dida, 2015). Thus, it is the duty of the management of an organization to integrate both human and material resources for the optimal performance of the organization. The management of the companies in the hospitality industry in Yanegoa, Bayelsa State should leverage the best resources internally and externally and deploy same for the continuous performance of the marketing. Again, managerial style and competence is required in effectively managing external stakeholders including, the consumers (Stoner, Gilbert & Freeman, 2013). Successes can be achieved through superior consumer relationship management.

### **Statement of the Problem**

The hospitality industry in Yanegoa, Bayelsa State of Nigeria was established to provide hospitality services to both visitors, tourist and people resident in the Yenagoa metropolis, its environs, visitors from other states in Nigeria and people visiting Yanegoa from the diaspora for tourism and marketing. This industry has also helped in the areas of event management and companies end of year activities. The industry has performed well historically. Most recently, the number of hotels services providers have increased and competition is presently cut throat. However, consumers are seen switching patronage from one hotel to another and this has significantly and negatively affected the marketing performance of most industry players. Most of the hotels are losing consumers leading to loss of market share, sales revenue and profit growth. Again, most of the companies could not meet their obligations by paying salaries and making profits to maximize their shareholders values. The root causes of these problems are relative service quality and product offerings of the different hotels in Yanegoa.

What should be responsible or accounted for these problems? It is possible that consumer relationship management is not well practiced by most of the players in the hospitality industry in Yanegoa, Bayelsa State? Again, one is in doubt if there is effective communication between the companies and the consumers. However, it is also possible that trust is lacking between most of the firms and their consumers in the value delivery chain. In the face of these speculations or certainty, the researcher developed the interest to investigate the relationship between consumer relationship management and marketing performance of firms in the hospitality industry in Yanegoa, Bayelsa State.

## **LITERATURE REVIEW**

### **Customer Relationship Management**

Every marketing organization operating in any sector should know and realize that the reason for marketing is the consumers. Consumers are tangible assets of any organisation (Gupta & Zethaml 2006 as cited in Akekue and Amue, (2016) are the reason why a firm opens its shop for marketing activities. Without the consumers there will be no marketing. The consumers in the industry or market are scrambled for by different industry's players and the consumers are attracted to the firm, products and services that they have the greatest satisfaction within the competitive marketing s, products and services in the market (Kotler & Keller, 2012; Kotler & Armstrong, 2008). Hence, consumers switching from one organization to another are prominent in most industries due to product and service offerings differentials, relative relationship management, consumers' services etc. To improve the company's market share through superior product and service offerings to the market, consumer relationship management should be augmented to attract and retain the consumers in order to enhance the company's position in the market.

Consumer relationship management is the building and sustenance of profitable relationships with consumers in the market. It encompasses relationship management of all consumers of the company within the value chain (Yim, Anderson & Swaminathan, 2014). Thus, consumers relationship management is necessary because, consumers want to be served in a special way, they want their needs and expectations to be met and so, the most effective and conducive way to manage a successful organization is through consumer relationship management. According to Yim, Anderson and Swaiminathan (2014), consumer relationship management could be defined as the overall mix or integration of marketing strategy, company structure and processes and technology orientation operationalized to generate consumer data that enables organization to effectively manage the consumers and their marketing.

Consumer relationship management in marketing is an emerging field of study which is a part of the broader discipline of organizational or marketing strategy. Thus, consumer relationship management is an important construct which helps to ensure consumer retention, improved patronage, increase consumers' life time value and brings about overall marketing performance (Yim, Anderson & Swaminathan, 2014; Kotler & Keller, 2012). Hence, the entire organizational structure should be organized around consumer relationship management in the workplace. People at work should be organized around nursing these valuable relationships with consumers in the market. The workplace structure should be flexible enough to promote consumer centred relationship behaviours by developing coordination of consumer focused cross departmental or cross functional workplace teams (Brown, 2000; Homoburg, Workman & Jensen, 2000).

### **Communication**

The concept of communication is the transmission of information or messages from one individual to another. It can be the passage of information through words, signs, symbols and transmitted through written, electronic or other medium between two or more people. This communication can occur within an organization i.e. individuals in a department will communicate to implement departmental functions. Again, communication can be carried out in the workplace in a cross functional manner – communication among departments and functions in the workplace. Importantly, communication can also occur between the organization and its consumers including all parties involved in the value delivery chain of the organization (Kotler & Keller, 2012; Dasgupta, Suar & Singh, 2013).

According to Dasgupta, Suar and Singh (2013), communication could be defined as the verbal and non-verbal means of transmitting information within organization or between individual, groups, organization and stakeholders of the marketing. Information and messages are transmitted in the workplace among employees for the proper functioning of the organization. Again, communication also takes place between the organization and all stakeholders in the transaction value chain; suppliers, distributors, agents, consumers and the publics (Dasgupta, Suar, & Singh, 2013). Thus, communication is the process by which the community members in a marketing use to understand themselves and communicate effectively in order to create two-way common understanding for the achievement of marketing goals and objectives.

Communication helps organization to communicate through information transmission, its value propositions to all stakeholders of the firm's marketing. With the help of communication, an organization is able to communicate the value proposition association with its offerings in terms of products and services in the market place (Kovanoviene, Romeika & Boumung, 2021). Hence, communication helps to create value for consumers in the market place by delivery messages, information, knowledge, education around the company's offering in the marketplace. Timely and accurate information are essential ingredients in every communication process and communication must precede and be concurrent with service delivery (Akekue & Kalu, 2017).

The competitiveness of the company in the market competitive environment is through effective communication with all stakeholders of the marketing. This help the company to ensure long term success in the industry. The company's competitive advantage is hinged on several factors including

communication and broader collaboration with the firm's stakeholders (Kovanoviene, Romeiko & Boumung, 2021). Thus, communication is a veritable tool for the strategic and tactical operations of the firm. We therefore propose the following:

**Ho<sub>1</sub>: There is no significant relationship between communication and marketing performance of hospitality industry in Yanegoa, Bayelsa State**

### **Trust**

Trust is the hope and the confidence people have for each other in any relationship be it social or marketing relationships. It is the believe an individual or organization have for the other party in a relationship exchange. When trust is in any relationship, people naturally have the confidence that the trust built in the relationship will not be betrayed. For any types of relationship to be successful, trust must permeate the entire engagement. With trust, social relationship among people will not strive. Again, marketing relationship cannot also be a going concern without trust, trust makes corporative endeavours to strive particularly in a marketing relationship (Nwokah & Didia, 2015). Thus, for trust to happen people in relationship should act with fidelity and without good faith and openness in the transaction exchanges.

Institutions and agencies around the world are gradually moving to knowledge and information based. For such a knowledge and information sharing age that involve transmission of messages from one entity to another, trust is the driver for this current knowledge and information economy. Sharing of knowledge and information is driven by a range of variables including trust (Leith, 2013). Thus, trust is an instrument of faith one has for another or people have for one another in relationships including marketing transactions. It can also be conceptualized as the willingness to be vulnerable by parties in transaction exchanges (Leith, 2013).

According to Giddens (1991), trust concept could be defined as the vesting of confidence on an individual or an abstract system which are made on the basis of faith. According to the scholar, trust is something people learn from their formative ages or infancy which enables them to deal with unknown situations in the context of society. The rolling point to this perspective is the concept of knowledge base on expertise where modernity has affected individual from the point of view of previous social actors and institutions to such an extent to negotiate a set of specialized system in order to confront daily life goals. The expert or specialized system in order to confront daily life goals. The expert or specialized system leverage different technical knowledge and experiences which permeate all areas of our social and marketing lives (Giddens, 1991; Leith, 2013).

For an organization to be successful in today's competitive marketing landscape, the marketing community all its stakeholders must have trust for the company, its management and directors, the company offerings in terms of products and services. This will enhance the success of the firm through acceptance by stakeholders. In contrast, if trust does not permeate between the organization and its stakeholders including the consumers, the marketing will not be accepted by the transacting institutions agencies and individuals within the transaction value chain. Therefore, organization should be able to build trust among it consumers chain; employees, consumers, suppliers, distributors, agents and the public (Kotler & Armstrong, 2008; Leith, 2013). We therefore prose the following:

**Ho<sub>2</sub>: There is no significant relationship between trust and marketing performance of hospitality industry in Yanegoa, Bayelsa State.**

### **Marketing Performance**

The concept of marketing performance is the successes or failures recorded by companies in the transaction of goods and services in an accounting year. However, the performance of the company can be evaluated monthly, quarterly, half-yearly and yearly (Stoner, Gilbert & Freeman, 2013). It is also the ability of an organization to provide goods and services for its market and obtain reward for doing

marketing. The marketing performance of an organization can be measured by financial and non-financial measures such as market share, sales growth, profit growth, return on investment (ROI), return on asset (ROA), ratio (P/E ratio), shareholders value maximization, consumer satisfaction, employee satisfaction, productivity, new market exploration. Number of branches, number of subsidiaries, number of oversea marketing es etc (Kotler & Armstrong, 2008); Stoner, Gilbert & Freeman, 2013). Marketing performance is the ability of an organization to execute optimal workplace with the aim of offering products and services that match consumers' requirements and expectations. According to Riberales (2012) marketing performance could be defined as the ability of a company to achieve its goals and objectives and expected bottom line results. The author posits that the issues of marketing performance indicators encompass effectiveness, costs, quality and profitability (Riberciles, 2021). Hence, workplace management should work towards improving the organization along; cost efficiency, effectiveness, quality improvement of products and services and profitable growth. According to Zulkiffi (2011) some objective and subjective measures of marketing performance are outlined and these are in line with the ones enumerated in the preceding paragraph (Kotler & Armstrong, 2008; Stoner, Gilbert & Freeman, 2013).

Marketing performance measurement for a company is necessary but the company should understand its current position and develop strategies for improvement. Marketing performance measurement helps companies to identify their current strengths and weaknesses, identify areas for improvement and the formation of benchmarks with historical data. Marketing performance measurement is based on data that tells company management about the going concern of the marketing in terms of achievement of progress and time lines for the attainment of workplace goals and objectives (Saena, 2014). Marketing performance measurement helps employees, departments and the entire organization take an introspective views of their relative performance through effective performance evaluation, while taking proactive stance in navigating the workplace for future outstanding and progressive performance (Stoner, Gilbert & Freeman, 2013).

### METHODOLOGY

The main purpose of the study was to examine the correlation between customer relationship marketing and marketing performance. The study adopted the cross-sectional survey research design with the help of the explanatory or hypotheses testing research design. The study employed a qualitative research method and the correlational methods of investigation was employed for the study. The population of the study ten (10) luxurious hotels of the fifteen in Yenagoa Bayelsa State. (www,H,com 2019). However, two respondents from each hotel the manager and the consumer service manager in each hotels constituted the respondents of this study i.e.  $2 \times 2 = 20$  respondents were used for the study.

### RESULTS AND DISCUSSIONS

#### Decision Rule

Reject the null hypothesis if the  $p < 0.05$  and accept alternate hypothesis. Reject alternate hypotheses if the  $p > 0.05$  and accept the null hypotheses.

Thus; P = probability value

$<$  = sign for less than

$>$  = sign for greater than

0.05 (95% level of confidence) i.e.  $1 - 0.05 = 95\%$ .

**Hypothesis 1**

Ho<sub>1</sub>: There is no significant relationship between communication and marketing performance of hospitality industry in Yanegoa, Bayelsa State

H<sub>A1</sub>: There is significant relationship between communication and marketing performance of hospitality industry in Yanegoa, Bayelsa State

**Table 1 Correlation Between Communication and Marketing Performance**

	Correlation	Communication	Marketing Performance
Communication	Pearson Corr	1	0.78
	Sig. (2 tailed)		0.029
	N	17	
Marketing Performance	Pearson Corr	0.78	
	Sig. (2 tailed)	0.029	
	N	17	

\*Correlation is significant at the 0.05 level (2 tailed)

Source: SPSS output, version 25.0

Table 1 illustrate the correlation between communication and marketing performance. The correlation coefficient is 0.78 and the probability value is 0.029 which is less than the critical value of 0.05. This means, there is positive and significant relationship between communication and marketing performance. Thus, we reject the null hypothesis and accept the alternate hypothesis which states there is significant relationship between communication and marketing performance of hospitality industry in Yanegoa, Bayelsa State. This finding is highly supported with empirical studies. Nwokah and Didia (2015) studied the correlations between consumer relationship management and marketing performance using communication as one of the proxies of CRM in the context of food and beverages organization in Nigeria.

The findings also corroborated with the works of Ali et al (2013), Sharazi and Hoseini (2013) and Shafique et al (2015), there studies discovered that communication at works positively and significantly improves organizational performance. Thus, communication is a laudable predictor of marketing performance in the context of hospitability industry in Yanegoa, Bayelsa State.

**Hypothesis 2**

Ho<sub>2</sub>: There is no significant relationship between trust and marketing performance of hospitality industry in Yanegoa, Bayelsa State

H<sub>A2</sub>: There is significant relationship between trust and marketing performance of hospitality industry in Yanegoa, Bayelsa State

**Table 2. Correlation Between Trust and Marketing Performance**

	Correlation	Trust	Marketing Performance
Trust	Pearson Corr	1	0.81
	Sig. (2 tailed)		0.031
	N	17	
Marketing Performance	Pearson Corr	0.81	
	Sig. (2 tailed)	0.031	
	N	17	

\*Correlation is significant at the 0.05 level (2 tailed)

Source: SPSS output, version 25.0

Table 2 indicates correlation between trust and marketing performance. Here, we have correlation coefficient of 0.81 and a probability value of 0.031 which is less than the critical value of 0.05. Thus, there is positive and significant relationship between trust and marketing performance. We therefore reject the null hypothesis and accept the alternate hypothesis which states there is significant relationship between trust and marketing performance of hospitality industry in Yanegoa, Bayelsa State.

Furthermore, the empirical findings of this study is also supported with Allaluiyah and Humabroh (2017), the scholars studied the impact of consumer relationship management on company performance in a context specific of three segments. The study employed qualitative research method and the findings of the study is that, consumer relationship dimensions including trust, positively and significantly impact company performance. The findings of our study also corroborate the works of Murtanto (2019), the author studied construction of consumer relationship managements in the context of retail marketing. The scholars employed structural equation modeling. It was revealed that, the dimensions of consumer relationship management including trust have positive and significant influence on retail marketing relationships.

### CONCLUSION AND RECOMMENDATION

This study investigated the relationship between consumer relationship management and marketing performance in the context of hospitality industry in the Yanegoa metropolis, Bayelsa State. From the empirical works, we conclude that, consumer relationship management and its dimensions; communication and trust, significantly improves marketing performance in the context of hospitality industry in Yanegoa Bayelsa State.

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